

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

July 1, 2003

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FROM: MARK UFFER, Director
Arrowhead Regional Medical Center

SUBJECT: AGREEMENT WITH FOLEY & LARDNER

RECOMMENDATION: Approve agreement with Foley & Lardner to provide healthcare related legal services to the Arrowhead Regional Medical Center for the period July 1, 2003 through June 30, 2006 for an amount of \$100,000 per fiscal year.

BACKGROUND INFORMATION: This agenda item recommends approval of an agreement with Foley & Lardner for the provision of specialized legal services pertaining to healthcare related issues. This Agreement is for the period July 1, 2003 through June 30, 2006, and does not provide renewal options beyond this period.

For the past fifteen years, the Medical Center, in conjunction with County Counsel, has utilized the law firm of Foley and Lardner to provide legal services to the Medical Center concerning various Medi-Cal and Medicare audit appeals and litigation and for consultative legal services on a variety of specialized health-related issues. The firm of Foley and Lardner also serves as legal counsel for the California Association of Public Hospitals, of which the Medical Center is a member. Contracting with an outside legal firm with extensive healthcare knowledge and experience, such as Foley & Lardner, is beneficial to the Medical Center's operations.

On July 2, 2002, when the Board approved Amendment No. 15 to Agreement No. 88-1049 with Foley & Lardner, the Chairman requested that the Medical Center issue a Request for Proposals (RFP) prior to expiration of the term on June 30, 2003.

Following the Chairman's direction, the Medical Center returned to the Board on April 22, 2003 to ask the Board to approve the release of an RFP for legal services. The RFP was released and proceeded as scheduled through the vendor selection process in June. The Medical Center received proposals from Foley & Lardner and Hooper, Lundy and Bookman.

A multidisciplinary team of Medical Center staff, including Compliance, Quality Management and Materials Management Departments was selected to conduct the initial review of the RFPs. A recommendation was presented to the Medical Center Administrative team, which concurred with the team's recommendation to pursue an agreement with Foley & Lardner for legal services. The criteria used included the ability to comply with the requirements of the RFP and experience with healthcare and compliance related legal issues. While cost was not the determining factor, the rates for both proposers were comparable. The rates are summarized in the chart below.

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RATE SUMMARY		
POSITION	FOLEY & LARDNER	HOOPER, LUNDY & BOOKMAN
Associate	\$205 - \$415	\$165 - \$330
Of Counsel	\$335 - \$630	None
Other	\$20 - \$170	None
Paralegal	\$45 - \$210	\$130 - \$170
Partner	\$330 - \$570	\$275 - \$410
Partner-Contracts	\$405 - \$450	None
Senior Counsel	\$275 - \$475	None
Special Counsel	\$135 - 450	None
Actual costs dependent upon level of services required during the term of the contract.		

REVIEW BY OTHERS: This item has been reviewed by HSS Administration (Carol Hughes, Administrative Analyst) on June 18, 2003 and County Counsel (Charles J. Larkin, Deputy County Counsel) on June 18, 2003.

FINANCIAL IMPACT: The total cost of this Agreement is \$100,000 per fiscal year or \$300,000 in the aggregate. The annual amount of this Agreement remains the same as FY 2002/03. Additionally, the Fee Schedule remains comparable to FY 2002/03 as well. These funds are available in the Medical Center's FY 2003/04 budget and will be included in the 2004/05 and 2005/06 budget proposals.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends approval based on the recognition that the Medical Center staff requires specialized consultation services from outside legal counsel with extensive healthcare knowledge.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: June Griffith-Collison, Chief Operating Officer, Arrowhead Regional Medical Center, 580-6150

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